Board of Directors

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Executive Directors

01 Ron Sandler
Chairman, aged 50
Ron has a first class degree in engineering from Cambridge and an MBA from Stanford University. His early career was with Boston Consulting Group as a Vice President and Director, and as Chief Executive of Martin Bierbaum Group and Exco plc. He was Chief Executive of Lloyd's of London from 1995 until 1999, playing a key role in Lloyd's reconstruction, then Chief Operating Officer of NatWest Group until its acquisition by Royal Bank of Scotland. He is Chairman of Kyte Group Limited and a member of the Partnership Council of lawyers Herbert Smith. Ron joined the Board of Computacenter in May 2000 and was appointed Chairman in May 2001.

02 Mike Norris
Chief Executive, aged 40
Mike graduated with a degree in computer science and mathematics from East Anglia University in 1983. He joined Computacenter in 1984 as a salesman in the City office. In 1986 he was Computacenter's top national account manager. Following appointments as Regional Manager for London operations in 1988 and General Manager of the Systems Division in 1992 with full national sales and marketing responsibilities, he became Chief Executive in December 1994 with responsibility for all day-to-day activities and reporting channels across Computacenter.

03 Tony Conophy
Finance Director, aged 44
Tony has been a member of the Institute of Chartered Management Accountants since 1982. He qualified with Semperit (Ireland) Limited and then worked for five years at Cape Industries PLC group. He joined Computacenter in 1987 as Financial Controller, rising in 1991 to General Manager of Finance. In 1996 he was appointed Finance and Commercial Director of Computacenter (UK) Limited with responsibility for all financial, purchasing and vendor relations activities. In March 1998 he was appointed Group Finance and Commercial Director.

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Non-Executive Directors

04 Nick Cosh
Aged 55
Nick has held a number of senior executive finance positions across a range of UK companies. He is currently a Non-Executive Director of Bradford & Bingley plc, Hornby plc and ICAP plc and Chairman of Fleming American Investment Trust. Previous positions held include Group Finance Director of JIB Group and Non-Executive Director of Invesco Income Growth Trust plc.

05 Philip Hulme
Aged 53
Philip founded Computacenter with Peter Ogden in 1981 and since then has worked for the Company on a full-time basis until stepping down as Executive Chairman in 2001. He is a Director of Dealogic Limited and was previously a Vice President and Director of the Boston Consulting Group.

06 Peter Ogden
Aged 54
Peter founded Computacenter with Philip Hulme in 1981 and was Chairman of the Company on a full-time basis until 1998, when he became a Non-Executive Director. He is Chairman of Dealogic Limited, a Director of Omnia Limited, a Non-Executive Director of Abbey National plc and a Non-Executive Director of Psion plc. Prior to joining Computacenter he was a Managing Director of Morgan Stanley and Co.

07 Cliff Preddy
Aged 54
Cliff has worked in the IT industry for most of his professional career, including many years as an Executive Director of Logica plc. He is the Deputy Chairman of Charteris plc and Non-Executive Chairman of Science Systems plc and Acquisition Accounting Limited.

Corporate governance statement

The Company is committed to high standards of Corporate Governance and has continuously reviewed compliance with best practice.

1 Statement by the Directors on Compliance with the Provisions of the Combined Code

The Company aims to achieve full compliance with the provisions set out in Section 1 of the Combined Code. Specific areas of non-compliance, identified in section 2 of this statement (Board of Directors), are either being addressed or are under review. In the opinion of the Directors, the Group has operated adequate procedures to identify, evaluate, and manage significant risks faced by the Group throughout the year and up to the date of approval of the Annual Report and Accounts, in accordance with the provisions of the Combined Code. Reference is made to information contained elsewhere in the Annual Report as appropriate.

2 Board of Directors

The Board of Directors comprises three Executive Directors and four Non-Executive Directors, two of whom, Nick Cosh and Cliff Preddy, are independent. Their biographies appear on page 21. These demonstrate a range of experience and calibre sufficient to bring independent judgement on issues of performance and strategy. The Board is responsible for overall Group strategy. A statement of the Directors' responsibilities in respect of the accounts is given on page 28. A formal schedule of matters is specifically reserved to the Board for decision.

There were seven scheduled Board meetings during 2001 and other meetings were held as necessary. All Directors have access to the advice and services of the Company Secretary, Alan Pottinger, who is responsible for ensuring Board procedures are followed and that the applicable rules and regulations are complied with. To enable the Board to discharge its duties, all Directors receive appropriate and timely information.

There is a clear division of responsibilities between the running of the Board and the running of the Group's day-to-day business. The Chairman is responsible for the former, and the Chief Executive is responsible for the latter. No individual has unfettered powers of decision.

There is a procedure agreed by the Board of Directors in furtherance of their duties to take independent professional advice, if necessary, at the Company's expense.

Adrian Beecroft, who was the nominated Senior Independent Non-Executive Director, and Rod Richards, an independent Non-Executive Director, resigned from the Board in February 2002. Nick Cosh and Cliff Preddy joined the Board in January 2002 and are both independent Non-Executive Directors. However, as they are recent appointments, the Board has taken the view that it is too early to nominate either as Senior Independent Non-Executive Director (as required by Section A.2.1 of the Combined Code), although this will be kept under review. Section A.3.2 of the Code specifies that a majority of the Non-Executive Directors be independent and it is recognised that, as currently only two of Computacenter's four Non-Executive Directors are independent, the requisite majority is not in place. Having only recently appointed Nick Cosh and Cliff Preddy, the Board has taken the decision to defer further appointments for the time being, although it is intended that the recruitment of a further independent Director will be pursued in due course.

One third of the Directors in office at the date of the Annual General Meeting (AGM) notice are required to retire by rotation. In accordance with the provisions of the Combined Code, each of the retiring Directors will be subject to election by the shareholders at the forthcoming AGM. At the date of this report, none of the Directors proposed for re-election at the AGM has service contracts with notice periods of more than one year.

Certain Board duties are delegated to the Committees of the Board, the responsibilities and composition of which are set out below.

Nomination Committee

The Nomination Committee comprises Ron Sandler (as Chairman), Philip Hulme and Peter Ogden. The role of the Nomination Committee is to carry out the selection process for the appointment of Executive and Non-Executive Directors to the Board of the Company.

Remuneration Committee

The Remuneration Committee comprises Cliff Preddy (as Chairman) and Nick Cosh. Philip Hulme and Peter Ogden act as non-voting special advisors to the Committee. The Committee is constituted under terms of reference laid down by the Board that are designed to enable the Company to comply with the requirements of the Combined Code regarding remuneration. The role of the Committee includes the determination of both the Company's general policy on executive remuneration and the specific packages for Executive Directors. The Committee also monitors and reviews the terms and conditions of the Executive Directors' service agreements and determines the grant of share options under the Company's share option schemes to both Executive Directors and other senior employees.

Audit Committee

The Audit Committee comprises Nick Cosh (as Chairman), Cliff Preddy and Peter Ogden. The role of the Committee is to review a wide range of matters including the Group's annual and interim financial statements, the accompanying reports to shareholders, the preliminary announcement of results and any other public announcements regarding financial information. The Committee advises the Board on the appointment and remuneration of the external auditors and discusses the nature, scope and results of the audit with the external auditors. The Audit Committee keeps under review the cost-effectiveness, independence and objectivity of the external auditors. In addition, the Committee reviews reports presented by the internal auditors and others, such as the Risk and Insurance Department, regarding significant operational risks and controls.

3 Directors' Remuneration

The principles and details of Directors' remuneration are contained in the Remuneration Report on pages 24 to 26.

4 Relations with Shareholders

Communications with shareholders are given a high priority. There is a regular dialogue with institutional shareholders, including presentations after the Company's interim and preliminary results announcements. In addition to mandatory information, a full and balanced explanation of the business of all general meetings is sent to shareholders. Shareholders are also encouraged to view the Group's website, which includes the share price as well as dedicated pages on case studies, news and financial information.

The Chairman of the Board aims to ensure that the Chairmen of the Audit, Remuneration and Nomination Committees are available at the AGM to answer the questions of private and institutional investors. Details of the resolutions to be proposed at the AGM on 10 May 2002 can be found in the Notice of Meeting enclosed with this report.

5 Accountability and Audit

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and therefore can only provide reasonable and not absolute assurance against any material misstatement or loss.

The system of internal control is designed to continuously identify, evaluate and manage significant risks faced by the Group. Key elements of this system are as follows:

Management Structure

The Board has overall responsibility for making significant strategic decisions. The Executive Directors, together with a number of senior managers, constitute the Executive Committee, which meets on a regular basis to discuss day-to-day operational matters. A flat reporting structure is maintained across the Group with clearly defined responsibilities for operational and financial management.

Control Environment

The Group operates authorisation and approval processes, which are an integral part of its operations. Access controls exist where processes have been automated to ensure the security of data.

Management information systems have been developed to identify risks, and to enable assessment of the effectiveness of the system of internal control. Accountability is reinforced, and the further scrutiny of costs and revenues encouraged, by the linking of staff incentives to customer satisfaction and profitability.

Budgetary Process

A comprehensive budgetary process is completed annually and is subject to approval by the Board. Performance is monitored through a rigorous and detailed reporting system through which monthly results are compared to budgets. The results and explanations for variances are regularly and routinely reported to the Board. Appropriate action is taken where variances arise.

Risk Management

Specialist departments monitor developments and ensure compliance with legislative and regulatory requirements. During the year additional resources have been dedicated to managing risk, ensuring that, through a process of assessment, appropriate measures and systems of control (including insurance) are in place and that the total cost of risk spend is optimised. Detailed contingency plans are being developed for all key Computacenter sites.

Capital Expenditure and Investments

Procedures exist and authority levels are documented to ensure that capital expenditure is properly appraised and authorised. Cases for all investment projects are reviewed and approved at divisional level. Major investment projects are subject to approval by the Board.

Centralised Treasury Function

All cash payments and receipts are managed by centralised accounting functions within each of the operating companies. Weekly reporting of cash balances to the Group Finance Department ensures the position of the Group as a whole is monitored.

Quality and Integrity of Staff

The suitability of staff is determined through rigorous recruitment procedures. Management continuously monitors training requirements, and annual appraisal procedures are established to ensure that required standards of performance are maintained. Resource requirements are identified by managers and reviewed by the Executive Committee.

6 Board Review of Internal Control

The effectiveness of the system of internal control is reviewed by the Board on an ongoing basis, specifically through the work of the Internal Audit Department. The Board has processes to satisfy itself that the system of internal control is effective and appropriately manages the risks faced by the business. These processes accord with the Turnbull guidance and include:

- Consideration of regular reports presented by Internal Audit, external audit, and operational management
- Regular review of financial reports and information
- Consideration of actions taken by management to address any issues identified
- Consideration of the results of reviews on Group risk and control.

The Board, acting through the Audit Committee, has directed the work of Internal Audit towards those areas of the business that are considered to be of highest risk. A rolling audit programme has been developed to ensure that all significant areas of the business are independently reviewed within a three-year period. This programme is continually reviewed to ensure it takes account of the latest information, in particular, the results of the annual review of internal control. During 2001 the Internal Audit Department carried out a number of reviews of specific areas of the business and the findings of these reviews were reported to the Audit Committee. The effectiveness of the Internal Audit Department is reviewed annually by the Audit Committee.

In addition to this rolling internal audit programme, the Board conducts an annual review of the effectiveness of internal control systems by reviewing all major risks with key managers across the Group, thereby ensuring that these are being managed to the satisfaction of the Board. This review process is undertaken by the Internal Audit Department and its findings recorded in a risk register. To ensure the effectiveness of the risk management process, a summary of the register is then reviewed by the Audit Committee. The risk register is updated on an ongoing basis throughout the financial year based on data from internal audits, ongoing discussion with managers, and other sources.

The Board is satisfied that all matters raised by the external auditors are being appropriately addressed and that the Audit Committee will continue to monitor any issues raised.

Ron Sandler.

RA Sandler
Chairman

Remuneration Report

Composition
On 4 February 2002, Adrian Beecroft and Rod Richards resigned as Non-Executive Directors of the Company and as members of the Remuneration Committee, and Nick Cosh and Cliff Preddy were appointed to the Committee in their place. Cliff Preddy has been appointed Chairman of the Committee. Philip Hulme and Peter Ogden are non-voting special advisors to the Committee.

Objective
The Committee's objective is to review the Company's general policy on executive remuneration and to ensure that, overall, remuneration packages for Executive Directors are competitive and sufficient to attract, retain and motivate high-quality individuals capable of achieving the Group's objectives.

Remuneration of Executive Directors
Salaries and benefits are reviewed annually to ensure they support the Group's business objectives, taking into account information from comparable companies where relevant. The components of the remuneration package are discussed below:

Basic salary and benefit
The basic salary for 2001 for each Executive Director was set at a meeting of the Remuneration Committee on 8 March 2001. Benefits principally comprise a company car. The values shown for the benefits in kind in the table of Directors' emoluments below are the amounts assessable to income tax for each Director.

Annual performance bonus
Mike Norris and Tony Conophy have discretionary bonus schemes that are linked to the performance of the Group. For 2001, the maximum that could have been awarded was £192,500 (2000: £192,500) and £120,000 (2000: £120,000) respectively. The actual bonuses awarded were £96,250 (2000: £64,000) to Mike Norris and £60,000 (2000: £40,000) to Tony Conophy.

Share options
The Executive Directors are eligible to be granted options under the Company's share option schemes. These options are subject to certain performance conditions, which are designed to produce significant and sustained improvements in the Group's underlying financial performance.

Pension
Mike Norris and Tony Conophy are entitled to a maximum annual pension contribution of £2,500 each under the arrangements of the Computacenter pension scheme, a defined contribution scheme available to all UK employees. The scheme also allows all employees to make salary sacrifices, which the Company will contribute to the pension scheme on their behalf. Any Company contribution in excess of the annual limit of £2,500 represents the amount of salary sacrificed by the individual.

Fees
The fees for Non-Executive Directors are determined by the Board within the limits stipulated in the Articles of Association. The Non-Executive Directors are not involved in the determination of their own remuneration.

Directors' Remuneration
The remuneration of the Directors in the year ended 31 December 2001 was as follows:

	Basic salary and fees £	Benefits in kind £	Performance related bonuses £	Pension contributions £	**Total 2001 £**	Total 2000 £
Executive Directors						
RA Sandler (1)	223,253	-	-	-	**223,253**	116,014
MJ Norris	385,000	21,000	96,250	2,500	**504,750**	474,463
FA Conophy	220,000	9,616	60,000	24,895	**314,511**	294,157
Non-Executive Directors						
PAB Beecroft (2)	30,000	-	-	-	**30,000**	30,000
PW Hulme (3)	82,500	1,741	-	-	**84,241**	246,879
PJ Ogden	30,000	-	-	1,500	**31,500**	31,500
RL Richards (4)	30,000	-	-	-	**30,000**	30,000
Total	1,000,753	32,357	156,250	28,895	**1,218,255**	1,223,013

(1) Comprises £182,821 of salary and £40,432 of fees and expenses. Until his appointment as Executive Chairman at the Annual General Meeting of 10 May 2001, Ron Sandler's fees and expenses were paid to Sandler Rentoul Associates Limited, a company through which his services were made available.
(2) Adrian Beecroft's fees of £30,000 were paid to Apax Partners & Co Ventures Limited, his employer.
(3) Philip Hulme received fees as Executive Chairman until he resigned from this role at the Annual General Meeting of 10 May 2001, following which he received the standard fee for a Non-Executive Director.
(4) Rod Richards's fees of £30,000 were paid to Graphite Capital Management Limited, his employer.

Aggregate pension contributions for 2001 were £28,895 (2000: £45,567).

Interests in Options

The Directors have been awarded options under the Computacenter Services Group plc Unapproved Executive Share Option Scheme, the Computacenter Employee Share Option Scheme 1998, the Computacenter Performance Related Share Option Scheme 1998 and the Computacenter Sharesave Scheme. The number of share options outstanding is as follows:

	Exercise price	Exercise dates		At 1 January 2001 (or date of appointment)	Granted during the year	Exercised during the year (or since appointment)	Lapsed	At 31 December 2001
Executive Directors								
RA Sandler	333.50p	20/3/04-19/3/11	(1)	-	150,000	-	-	150,000
	333.50p	20/3/05-20/3/11	(1)	-	150,000	-	-	150,000
	333.50p	20/3/06-19/3/11	(1)	-	200,000	-	-	200,000
				-	500,000	-	-	500,000
MJ Norris	25.00p	9/4/99-8/4/03	(2)	300,000	-	-	-	300,000
	41.25p	9/4/99-8/4/06	(2)	400,000	-	-	-	400,000
	160.00p	31/7/00-30/7/07	(2)	250,000	-	-	-	250,000
	565.00p	1/4/02-31/3/09	(3)	30,973	-	-	30,973	-
	670.00p	1/9/03-31/3/04	(4)	2,574	-	-	-	2,574
	942.50p	25/4/03-24/4/10	(3)	20,424	-	-	-	20,424
	333.50p	20/3/04-19/3/11	(1),(5)	-	8,995	-	-	8,995
	333.50p	20/3/04-19/3/11	(6)	-	48,726	-	-	48,726
				1,003,971	57,721	-	30,973	1,030,719
FA Conophy	41.25p	9/4/99-8/4/06	(2),(7)	200,000	-	200,000	-	-
	565.00p	5/5/02-4/5/09	(8)	884	-	-	884	-
	565.00p	1/4/02-31/3/09	(3)	18,584	-	-	18,584	-
	670.00p	1/9/03-31/3/04	(4)	2,574	-	-	-	2,574
	942.50p	25/4/03-24/4/10	(3)	12,732	-	-	-	12,732
	333.50p	20/3/04-19/3/11	(6)	-	35,982	-	-	35,982
				234,774	35,982	200,000	19,468	51,288

Remuneration Report continued

	Exercise price	Exercise dates		At 1 January 2001 (or date of appointment)	Granted during the year	Exercised during the year (or since appointment)	Lapsed	At 31 December 2001
Non-Executive Directors								
PAB Beecroft	-	-		**-**	-	-	-	**-**
PW Hulme	25.00p	9/4/99-8/4/03	(2)	**1,600,000**	-	-	-	**1,600,000**
PJ Ogden	25.00p	9/4/99-8/4/03	(2)	**1,600,000**	-	-	-	**1,600,000**
RL Richards	-	-		**-**	-	-	-	**-**

(1)Issued under the terms of the Computacenter Employee Share Option Scheme 1998.
(2)Issued under the terms of the Computacenter Services Group plc Unapproved Executive Share Option Scheme.
(3)Issued under the terms of the Computacenter Performance Related Share Option Scheme. The options exercisable from 1 April 2002 were exercisable on the condition that the average annual compound growth in the Group's earnings per share was at least 5% above the RPI for the three-year period commencing 1 January 1999. This condition was not met, therefore the options have lapsed. The options exercisable from 25 April 2003 are exercisable on the condition that the average annual compound growth in the Group's earnings per share is at least 5% above the RPI for the three-year period commencing 1 January 2000.
(4)Issued under the terms of the Computacenter Sharesave Scheme, which is available to all employees and full time Executive Directors of the Group.
(5)Exercisable on the condition that the average annual compound growth in the Group's fully diluted earnings per share, compared to the base year of 2000, is at least equal to the RPI plus 5% in any of the three, four or five year periods up to and including 2003, 2004, or 2005 respectively.
(6)Issued under the terms of the Computacenter Performance Related Share Option Scheme. The options become exercisable if the average compound growth in the Group's fully diluted earnings per share, compared to the base year of 2000, is at least equal to the RPI plus 5% in any of the three, four or five year periods up to and including 2003, 2004, or 2005 respectively.
(7) Tony Conophy exercised 200,000 share options in April 2001.
(8)Issued under the terms of the Computacenter Employee Share Option Scheme 1998. The options were exercisable on the condition that the average annual compound growth in the Group's earnings per share was at least 5% above the RPI for the three year period commencing 1 January 1999. This condition was not met, therefore the options have lapsed.

The market value of the 200,000 shares acquired following the exercise of options by Tony Conophy was £687,000 on the date of exercise. Aggregate gains realised on the exercise of share options by Directors were £604,500 (2000: £8,989,000).

The middle market price of a Computacenter plc ordinary share during the year was in the range £1.59 to £4.58 and at 31 December 2001 was £3.45.

CSF Preddy
Chairman of the Remuneration Committee
18 March 2002

Directors' report

The Directors present their report and the audited accounts of the Company for the year ended 31 December 2001.

Principal activities

The Company is a holding company. The principal activities of the group of subsidiary undertakings of which it is the parent, are the design, project management, implementation and support of integrated information technology systems.

Review of the business

A detailed review of the Group's activities, the development of its business and an indication of future developments is included in the Chairman's Statement on pages 4 to 5, the Chief Executive's review on pages 6 to 9 and the Finance Director's review on pages 18 to 19.

Results and dividends

The Group's activities resulted in a profit before tax of £34,900,000 (2000: £55,571,000). The Group profit for the year available to shareholders amounted to £19,058,000 (2000: £39,237,000). The Directors propose a final dividend for the year of £5,435,000 (2000: £5,269,000) being payable on 30 May 2002 to those shareholders on the register as at 3 May 2002. The Company did not pay an interim dividend during the year.

Directors

The Directors who served during the year ended 31 December 2001 are listed below. Brief biographical details of the Directors at the date of this Report are given on pages 20 and 21.

On 8 January 2002 Nick Cosh and Cliff Preddy were appointed as Non-Executive Directors of the Company and on 4 February 2002 Adrian Beecroft and Rod Richards resigned as Non-Executive Directors of the Company.

Having been appointed since the last Annual General Meeting, Nick Cosh and Cliff Preddy will retire at the forthcoming Annual General Meeting and offer themselves for re-election. Tony Conophy and Mike Norris will retire by rotation at the forthcoming Annual General Meeting and, being eligible, will offer themselves for re-election.

The Non-Executive Directors are appointed for specific terms, subject to re-election and to Companies Act provisions relating to the removal of a Director. Details of Directors' remuneration and their interests in the share capital of the Company are provided in the Remuneration Report on pages 24 to 26.

Directors' Interests

The interests of the Directors in the share capital of the Company at the beginning and end of the year are set out below:

	At 31 December 2001		At 1 January 2001 or at date of appointment	
	Number of ordinary shares Beneficial	**Number of ordinary shares Non-beneficial**	Number of ordinary shares Beneficial	Number of ordinary shares Non-beneficial
Executive Directors				
RA Sandler	**75,000**	**-**	75,000	-
MJ Norris	**1,685,212**	**-**	1,677,354	-
FA Conophy	**1,762,388**	**-**	1,562,388	-
Non-Executive Directors				
PAB Beecroft *	**111,905**	**-**	149,783	-
PW Hulme	**28,990,057**	**12,872,707**	31,190,057	10,872,707
PJ Ogden	**42,201,264**	**25,000**	42,162,764	25,000
RL Richards *	**7,500**	**-**	7,500	-

*resigned 4 February 2002

Rod Richards participates in an incentive scheme operated by his employer, Graphite Capital Management Limited, and accordingly has an interest in the performance of the ordinary shares held by Graphite Enterprise Trust plc.

There have been no changes in the interests of the Directors in the shares of Computacenter since 31 December 2001.

Major interests in shares

At 18 February 2002 the Company had received notification of the following substantial interests in the Company's issued ordinary share capital:

PJ Ogden	42,226,264	22.75%
PW Hulme	41,862,764	22.55%
Aegon UK plc	13,503,753	7.30%
Fidelity International Limited	7,413,726	4.00%

Directors' report continued

Authority to purchase own shares
At the 2001 Annual General Meeting a resolution was passed giving the Company the authority to purchase up to 10% of its ordinary shares by market purchase. At 31 December 2001, this authority remained unutilised. A resolution to further extend the authority is to be put to the 2002 Annual General Meeting.

Creditors payment policy
The Company does not hold any trade creditor balance, however it is the policy of the Group that each of the businesses should agree appropriate terms and conditions for its transactions with suppliers (ranging from standard written terms to individually negotiated contracts) and that payment should be in accordance with those terms and conditions, provided that the supplier has also complied with them.

Employee share schemes
The Company operates executive share option schemes for the benefit of employees. During the year, options under the schemes to purchase shares of the Company have been granted to certain employees in respect of 758,995 ordinary shares of 5p each. At the year-end, 9,919,801 (2000: 11,186,983) options remain outstanding under the executive share option schemes. 1,601,273 ordinary share options were exercised during the year.

In addition the Company continues to operate a Sharesave Scheme for the benefit of employees. At the year-end, 3,615,369 (2000: 1,348,350) options granted under the Sharesave Scheme remain outstanding.

Employee involvement
The Group is committed to involve all employees in the performance and development of the Group. Employees are encouraged to discuss with management matters of interest to employees and subjects affecting day-to-day operations of the Group.

Equal opportunities
The Group is committed to equal opportunities. No employee or potential employee receives less favourable treatment or consideration on grounds of race, religion, national or ethnic origin, gender, disability, sexual orientation, age or marital status. To this end the Group has an Equal Opportunities Policy. This demonstrates the Group's commitment to make full use of the talents and resources of all its employees and to provide a healthy environment that encourages good and productive working relationships within the organisation.

European monetary union
The Group has continued to monitor and consider the impact to the business of the Euro and we do not expect the costs associated with its implementation to be significant. Internal systems for our businesses within the "Eurozone" have been modified as necessary to meet business requirements.

Charitable donations
The Group has made charitable donations during the year amounting to £131,847 (2000: £156,321).

Statement of Directors' responsibilities in respect of the accounts
Company law requires the Directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the Group or Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors
During the year, Ernst & Young transferred its business to Ernst & Young LLP, a limited liability partnership. On 8 August 2001, the Company's Board of Directors passed a resolution approving the treatment of the appointment of Ernst & Young as the Company's auditor as extending to Ernst & Young LLP.

Accordingly, a resolution approving the re-appointment of Ernst & Young LLP will be proposed at the forthcoming Annual General Meeting.

By order of the Board

AJ Pottinger
Secretary
18 March 2002

Independent auditors' report to the members of Computacenter plc

We have audited the Group's financial statements for the year ended 31 December 2001, which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet, Company Balance Sheet, Group Statement of Cash Flows, Reconciliation of Net Cash Flow to Movement in Net Funds and the related notes 1 to 30. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of Directors and auditors
The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards and the Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Group is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman's Statement, Chief Executive's Review, Finance Director's Review, Corporate Governance Statement, Remuneration Report, and Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2001 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
Reading
18 March 2002